

REMARKS

Claims 1-13, 16, 18-35 and 37 were rejected and remain pending. Claim 37 has been amended.

Claim Objections

Claim 37 (erroneously designated 57 in the Office Action) was objected to because it fails to end in a period. This correction has been made.

Claim Rejections – 35 USC § 103

Claims 1-9, 11-13, 16, 18-35 and 37 have been rejected under 35 U.S.C. 103(a) as being unpatentable over US PGPub 2002/0120561 to Chin et al. (“Chin”) in view of US Patent No 5,787,443 to Palmer (“Palmer”). This rejection is respectfully traversed and reconsideration is requested.

As is well known and as set forth in paragraph [0080] of the specification of this patent application, customs brokers typically create and submit to U.S. Customs a comprehensive “entry packet” based on a wide variety of information which they receive from several parties, such as importers, suppliers, freight forwarders, surety agents, bankers, etc. The entry packet may include a completed U.S. Customs Form 7501 which sets forth tariffs to be paid on imported products, commercial invoices, shipping manifests, etc. However, the customs broker sometimes makes mistakes when completing and assembling this entry packet, such as when completing the Form 7501.

Claim 1 is directed to a method for methodically catching these mistakes. An entry packet submitted to U.S. Customs is received by an importer from a customs broker. The entry packet contains information relating to a shipment for importation. The entry packet is entered by the importer into a first repository in a database. A second repository in the database is consulted by the importer. The second repository contains records relevant to a plurality of imported goods. The entry packet in the first repository is compared by the importer with the records in the second repository. One or more discrepancies between the entry packet and the records are identified by the importer. A report identifying the one or more discrepancies between the entry packet and the records is generated by the importer.

Chin takes a fundamentally different approach to mistakes made by customs brokers. Instead of auditing the entry packets that customs brokers create to catch mistakes within them, Chin proposes a system that minimizes the occurrence of the mistakes in the first instance. Chin proposes that all parties to the transaction – importers, customs brokers, suppliers, freight forwarders, surety agents, bankers, and even U.S. Customs itself – access and manipulate a common database of information under the control of database management software. Chin also proposes that this system generate the U.S. Customs form 7501 based on input from all of the participants, again obviating mistakes in the first instance.

The problem with Chin, of course, is that Chin requires all parties to the transaction to access and share a common database. This can require a degree of integration and cooperation among the various parties to the transaction that is greater than what can be achieved in today's marketplace.

In any event, the fundamentally different approach that Chin describes does not meet any of the elements of claim 1:

- The preamble of claim 1 indicates that claim 1 is directed to “[a] method for Harmonized Tariff Schedule (“HTS”) auditing” Chin does not disclose a method for HTS auditing.
- The first element of claim 1 requires an importer to receive “from a customs broker” an entry packet that the customs broker submitted to U.S. Customs. The importer in Chin does not receive the U.S. Customs form 7501 from a customs broker. In Chin, the importer accesses a common database on its own and can examine the U.S. Customs form 7501. However, this document does not come “from a customs broker,” as required by claim 1. It is generated by Chin’s shared database system based on information supplied by several parties, many of which are not the customs broker.
- The second element of claim 1 requires the importer to enter the entry packet into a first repository in a database. This step is completely lacking in Chin. By requiring the entry packet to be entered into a first repository in a database, this step of claim 1 makes clear that the entry packet and the first database repository are separate things. In Chin, there is no such separateness. There is only a single U.S. Customs form 7501. Further, much of the content of the U.S. Customs form 7501 is not entered by the importer, as also required by claim 1.
- The third element of claim 1 requires the importer to consult a second repository in the database containing records relevant to a plurality of imported goods. Again, this element is completely missing from Chin.

- The fourth element of claim 1 requires the importer to compare the entry packet in the first repository with the records in the second repository. Again, this element is completely missing from Chin.
- The fifth element of claim 1 requires the importer to identify one or more discrepancies between the entry packet and the records. Again, this element is completely missing from Chin.
- The sixth element of claim 1 requires the importer to generate a report identifying the one or more discrepancies between the entry packet and the records. Again, this element is completely missing from Chin.

The Examiner nevertheless contends that claim 1 would have been obvious because Palmer disclosed the idea of verifying the contents of one database by comparing it to another. Applicants respectfully disagree that modifying Chin to include this feature would yield the invention of claim 1. For example, there is nothing in either reference or their combination that suggests that the importer should:

- Receive from the customs broker the entry packet which the customs broker submitted to U.S. Customs.
- Enter the content of the entry packet into a first repository in a database, as opposed to merely accessing the data in the centralized database disclosed in Chin.
- Compare, identify, and generate reports about discrepancies in entry packets, as opposed to any of the many other data structures that Chin stores, such as commercial invoices, shipping manifests, tariff schedules, etc.

Applicants also respectfully disagree that there was a reason for the skilled artisan to have modified Chin to have had importers compare the U.S. Customs form 7501 in Chin to an independent importer database. A primary purpose of Chin was to eliminate errors in this document by automatically assembling it from data that was directly supplied by the various parties to the transaction. Thus, this document was not generally subject to the types of errors which the invention of claim 1 is intended to detect. The information in the U.S. Customs form 7501 Document was also generally the result of direct input from the importer and others. Any satellite database that the importer might have had would mostly have only contained information that the importer already provided to Chin's shared database or information that was itself of a second-hand and thus less-reliable nature.

Claims 16, 24 and 34 are similar to claim 1 and are patentable in view of Chin and Palmer for similar reasons.

Claims 2-9, 11-13, 18-23, 25-33, and 37 are dependent upon claim 1, 16, 24 or 34 and thus are also patentable in view of Chin and Palmer.

Claims 8 and 37 also require HTS classifications that are assigned by the customs broker to be compared to HTS classifications that are stored in a product dictionary. This feature is not disclosed in either Chin or Palmer, either alone or in combination. Column 3, lines 17-59 of Palmer – the sole information cited by the Examiner in support of the rejection of this additional element -- does not disclose that HTS codes should be compared.

Claims 9 and 37 also require attribute classifications that are assigned by the customs broker to be compared to attribute classifications that are stored in a product dictionary. As explained in the specification of this application, "attribute classifications" are attributes that may subject the product to additional or different tariffs, such as attributes relating to NAFTA certificates, FAA restrictions, and Department of Transportation restrictions. This feature is also not disclosed in either Chin or Palmer, either alone or in combination. Again, column 3, lines 17-59 of Palmer – the sole information cited by the Examiner in support of the rejection of this additional element -- does not disclose this feature.

CONCLUSION

For the foregoing reasons, Applicant respectfully submits that the above amendment places this application in condition for allowance, which Applicant respectfully solicits.

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Respectfully submitted,
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Date: May 13, 2008

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